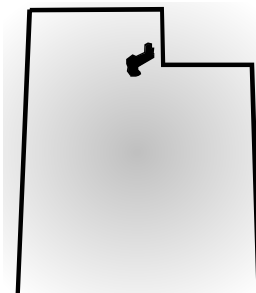


County Trends

December 2002

Morgan



A Local Economic Perspective

Low Unemployment and Slower Job Growth

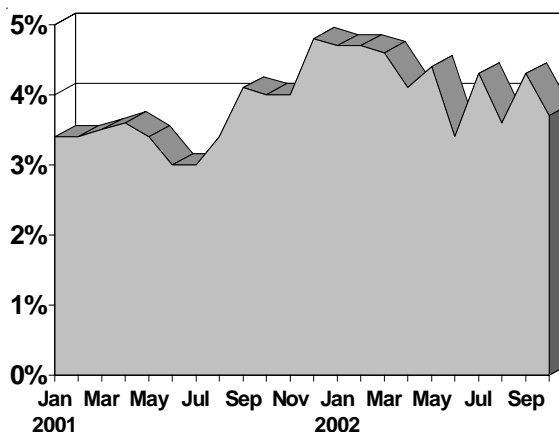
Unemployment has left the 3 percent bracket and crept up into the four percent range since early 2001. This is not unusual as most all of Utah has felt the recession's effects. Other evidence of a soft economy has been the slowing of employment growth. What was a moderate growth posture in 2001 was interrupted later in the year with a virtual halt in new jobs.

Unemployment Up from 2001

The level of unemployment increased in late 2001, moving from three percent and adding a point to put it in the mid-four percent range in 2002. Even with the general increase, the county rate is still a full percentage point below the state average, and roughly two percent below Weber County's unemployment rate. Morgan County's count of labor force, employed and unemployed, are so small that even small changes in the number of unemployed result in apparently large changes in the unemployment rate.

Job growth, positive in the first quarter of 2002, dropped significantly - below zero during second quarter. An overall year-over net drop of 30 jobs caused the -1.9 percent job contraction. Job losses were larger in the goods producing industries.

Seasonally Adjusted Morgan County Unemployment Rates

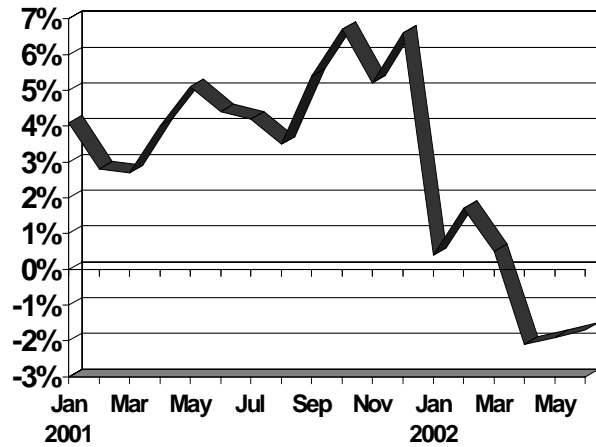


Source: Utah Department of Workforce Services.





Year-Over Change in Morgan County Employment



Source: Utah Department of Workforce Services.

To the Point

Job growth disappeared and unemployment increased since late 2001. Unemployment rates have been volatile, bouncing around in the 3.5 to the high 4 percent range over the last year. The county has not escaped the effects of the national and state recession.

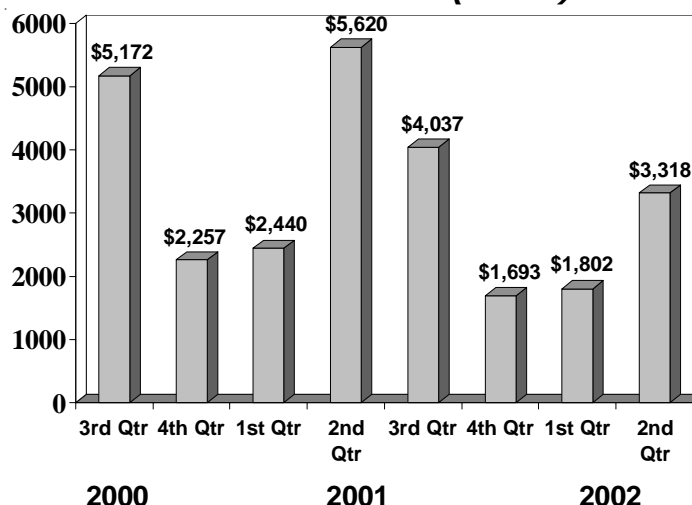
During second quarter 2002, the goods-producing sector actually lost 70 to 80 jobs; about 60 in manufacturing and 20 in construction. Only growth in the service-producing industries enabled the overall loss in jobs to be held at only 30. Fifty positions were created in the service-producing group. Retail trade added about 20 and business services increased employment rolls by 30. The government sector - all in local government- remained unchanged and accommodation and food services industry lost almost 20 jobs.

The same scenario occurred during the first quarter, only in smaller numbers. The good point about first quarter was at least the growth rate wasn't negative. It was 0.9 percent, which only meant about 15 new jobs. As with second quarter, the goods-producing industries lost employment and the service-producing group added positions.

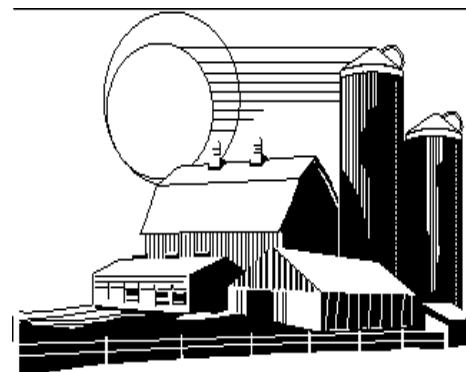
Construction Activity Down Since Third Quarter 2001

Ever since third quarter 2001, the valuations of construction activity have shown a year-over declines. That's four consecutive quarters of decline. For the first half of 2002, valuations declined by 26 percent for first quarter and 41 percent for second quarter, when compared to a

Total Morgan County Approved Construction Values (in 000s)



Source: Utah Bureau of Economic & Business Research.



year ago. Second quarter is typically the time of highest expected activity and even in this quarter the dollar amount of construction activity dropped from \$5.6 million to \$3.3 million between 2001 and 2002. The recession has obviously had a negative impact on both construction employment and the dollar valuation of permitted construction.

Sales Down in both First and Second Quarters

Gross taxable sales were off 6 and 14 percent respectively for the first and second quarters of 2002. The year-over change for sales plotted over the last 10 quarters look like another roller coaster ride (see Chart). It has been up and down, going on the plus and minus side for over two years. During the first half of 2002 both quarters' sales numbers were less than a year ago. Of the total \$14 million in sales during second quarter of 2002, nearly 30 percent alone was generated by the sales of motor vehicles.

John Mathews, Regional Economist
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Quick Facts

October 2002

Unemployment Rate

Morgan County	3.7%
Utah	5.1%
U.S.	5.7%

June 2002 Change from Previous Year

Job Growth

Morgan County	-1.7%
Utah	-1.3%
U.S.	-1.1%

2nd Qtr 2002 Change from Previous Year

Construction Values

Morgan County	-41.0%
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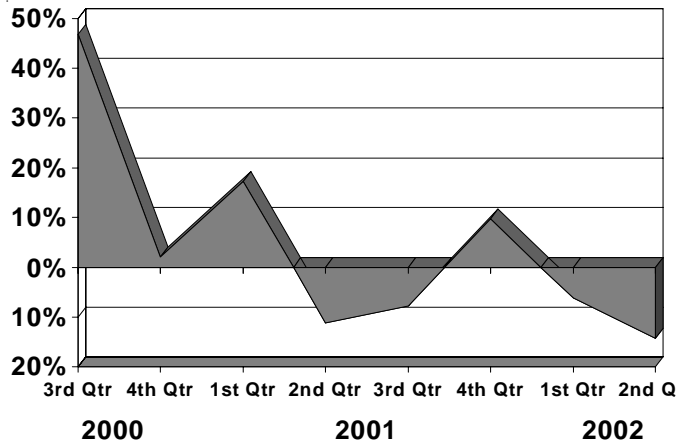
Sales

Morgan County	-14.3%
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Source: Utah Dept of Workforce Services,
 Bureau of Labor Statistics,
 Utah Tax Commission,
 Bureau of Econ & Business Research.

For more economic information about Morgan County see:
<http://jobs.utah.gov/wi/Regions/northern/morgan/morgan2.asp>

Year-Over Change in Morgan County Gross Taxable Sales



Source: Utah Tax Commission.

The mission of the Utah Department of Workforce Services is to provide quality, accessible, and comprehensive employment-related and supportive services responsive to the needs of employers, job seekers, and the community.

What's Up? ⁴

- The city of Morgan has received a \$500,000 grant and loan of \$1.2 million from the rural development arm of the U.S. Dept. of Agriculture to upgrade the city's culinary system. The funds will be used to construct a water storage tank, replace an old pump, build a booster pump station, and drill a new well.
- Mountain Green has broken ground for a new firehouse to house equipment and the city's volunteer firefighters.

For more economic events, see:

<http://jobs.utah.gov/wi/Regions/north-ern/morgan/morganee.pdf>



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Equal Opportunity Employment Program

Auxiliary aids and services are available upon request to individuals with disabilities. Call (801) 526-9240. Individuals with speech and/or hearing impairments may call the state relay at 1-800-346-4128



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